

Effect:

- Clarifies that vertical evacuation towers are an eligible remediation solution for schools in tsunami hazard areas
- Clarifies that "total project cost" means both direct and associated indirect costs for the remediation solution
- Fixes technical error referencing the operating budget rather than the capital budget
- Allows OSPI to streamline administrative and procedural processes for the Small School District Modernization grant program in addition to the SCAP program for purposes of coordinating the seismic safety program.

1 AN ACT Relating to establishing a school seismic safety grant
2 program; adding a new section to chapter 28A.525 RCW; adding a new
3 chapter to Title 43 RCW; creating a new section; providing a
4 contingent effective date; and providing for submission of certain
5 sections of this act to a vote of the people.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The legislature finds that a significant
8 number of Washington students in public school districts and state-
9 tribal education compact schools attend school in older facilities
10 located in geologically active areas. Accordingly, the legislature
11 intends to create a grant program to help school districts and state-
12 tribal education compact schools cover the cost of retrofitting or
13 relocating school facilities located in high seismic areas or tsunami
14 zones.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.525
16 RCW to read as follows:

17 (1) School seismic safety grants and school seismic planning
18 grants must be awarded and determined in accordance with this
19 section.

(2) ELIGIBILITY. A school district or state tribal education compact school is eligible to receive a school seismic safety grant for remediation of seismic or tsunami hazards in qualifying buildings that meet the following criteria:

(a) The building is located within a high seismic hazard area as defined in subsection (3) of this section; and

(b) The building was constructed before 1998 and has not received a seismic retrofit to 2005 seismic standards.

(3) DEFINITIONS. For the purposes of this section:

(a) "High seismic hazard area" means:

(i) Any location identified by the United States geological survey national seismic hazard map with a two percent probability of exceedance in 50 years and a national earthquake hazards reduction program site class D that are 0.3 peak horizontal acceleration or greater peak ground acceleration areas; or

(ii) Any area located within a Washington tsunami design zone map or, where a Washington tsunami design zone map is not available, an American society of civil engineers tsunami design zone map, that requires structures in risk category three or four to be designed for tsunamis.

(b) "Remediation" means solutions that mitigate or eliminate site specific seismic or tsunami hazards and may include building relocation or vertical evacuation towers if related to a tsunami hazard.

(c) "Total project cost" means direct and associated indirect costs for the remediation solution as approved by the advisory committee. Associated indirect costs can include site acquisition and development costs for approved building relocations. The combined direct and associated indirect costs cannot exceed the equivalent combined direct and associated indirect costs for building projects participating in the school construction assistance program for that same year.

(4) ADVISORY COMMITTEE. (a) The superintendent of public instruction must appoint an advisory committee to evaluate and prioritize grant applications from school districts and state-tribal education compact schools. Advisory committee members must have experience in financing, managing, or planning seismic remediation projects at school facilities but must not be involved in a school seismic safety grant request for the biennium under consideration. The office of the superintendent of public instruction must provide

1 administrative and staff support to the advisory committee and
2 consult with the advisory committee to design a grant application
3 process with specific criteria for prioritizing grant requests.

4 (b) The advisory committee must submit a prioritized list of
5 grants to the superintendent of public instruction. The list must
6 prioritize applications to achieve the greatest improvement of school
7 facilities, in the school districts and state-tribal education
8 compact schools with the most limited financial capacity, for
9 projects that are likely to improve student health, safety, and
10 academic performance for the largest number of students for the
11 amount of state grant support.

12 (5) REQUIRED GRANT LIST. (a) The superintendent of public
13 instruction must propose a list of prioritized school seismic safety
14 grants to the governor by September 1st of each year, beginning
15 September 1, 2022. This list must include:

- 16 (i) A description of the proposed project;
17 (ii) The proposed school seismic safety grant amount, equal to at
18 least two-thirds of the estimated total project cost;
19 (iii) The anticipated school construction assistance program
20 amount;
21 (iv) The anticipated local share of project cost; and
22 (v) The estimated total project cost.

23 (b) The superintendent of public instruction and the governor may
24 determine the level of funding in their omnibus capital
25 appropriations act requests to support grants under this section, but
26 their funding requests must follow the prioritized list prepared by
27 the advisory committee unless new information determines that a
28 specific project is no longer viable as proposed.

29 (6) SCHOOL CONSTRUCTION ASSISTANCE PROGRAM AND SMALL SCHOOL
30 DISTRICT MODERNIZATION GRANT PROGRAM. (a) The full administrative and
31 procedural process of school construction assistance program funding
32 under RCW 28A.525.162 through 28A.525.180 and the small school
33 district modernization grant program funding under RCW 28A.525.159
34 may be streamlined by the office of the superintendent of public
35 instruction in order to coordinate eligible school construction
36 assistance program funding and small school district modernization
37 grant program funding with the school seismic safety grants. Such
38 coordination must ensure that total state funding from all three
39 grants does not exceed total project costs minus available local
40 resources.

1 (b) Projects seeking school seismic safety grants must meet the
2 requirements for a school construction assistance program grant
3 except for the following: (i) The estimated cost of the project may
4 be less than 40 percent of the estimated replacement value of the
5 facility; and (ii) local funding assistance percentage requirements
6 of the school construction assistance program do not apply. However,
7 available school district and state-tribal education compact school
8 resources are considered in prioritizing school seismic safety
9 grants.

10 (7) DISBURSEMENT OF FUNDS. The superintendent of public
11 instruction must award state and federal grants under this section to
12 eligible school districts and state tribal education compact schools
13 in an amount equal to at least two-thirds of the total project cost.
14 The grant must not be awarded until the school district or state-
15 tribal education compact school has identified available local and
16 other resources sufficient to complete the approved project
17 considering the amount of the state grant. The grant must specify
18 reporting requirements from the school district or state-tribal
19 education compact school, which must include updating all pertinent
20 information in the inventory and condition of schools data system and
21 submitting a final project report as specified by the office of the
22 superintendent of public instruction in consultation with the school
23 facilities citizens advisory panel specified in RCW 28A.525.025.

24 (8) PLANNING GRANTS. Subject to the availability of amounts
25 appropriated for this specific purpose, the office of the
26 superintendent of public instruction must assist eligible school
27 districts and state-tribal education compact schools that are
28 interested in applying for a school seismic safety grant under this
29 section by providing technical assistance and planning grants. School
30 districts and state-tribal education compact schools seeking planning
31 grants under this section must provide a brief statement describing
32 existing school conditions, building system and site deficiencies,
33 current and five-year projected student headcount enrollment, student
34 achievement measures, financial constraints, and any information
35 required by the advisory committee established in subsection (4) of
36 this section. If applications for planning grants exceed funds
37 available, the office of the superintendent of public instruction may
38 prioritize planning grant requests with primary consideration given
39 to school district financial capacity and facility conditions.

1 NEW SECTION. **Sec. 3.** (1) For the purposes of providing needed
2 capital improvements for the school seismic safety grant program, the
3 state finance committee is authorized to issue general obligation
4 bonds of the state of Washington in the sum of \$500,000,000, or so
5 much thereof as may be required, to finance all or a part of the cost
6 of these projects and all costs incidental thereto. The bonds issued
7 under the authority of this section shall be known as Washington
8 school seismic safety bonds.

9 (2) Bonds authorized in this section must be sold in the manner,
10 at the time or times, in amounts, and at such prices as the state
11 finance committee determines.

12 (3) The authorization to issue bonds contained in this chapter
13 does not expire until the full authorization has been issued.

14 (4) No bonds authorized in this section may be offered for sale
15 without prior legislative appropriation of the net proceeds of the
16 sale of the bonds.

17 NEW SECTION. **Sec. 4.** If the people ratify section 3 of this act
18 as specified under section 11 of this act, section 3 of this act
19 takes effect July 1, 2023.

20 NEW SECTION. **Sec. 5.** It is the intent of the legislature that
21 the proceeds of the new bonds authorized in section 3 of this act
22 will be dispersed in phases of \$100,000,000 per biennium over five
23 biennia, beginning with the 2023-2025 biennium. This is not intended
24 to limit the state's ability to disperse bond proceeds if the full
25 amount authorized in section 3 of this act has not been dispersed
26 after five biennia. The authorization to issue bonds contained in
27 section 3 of this act does not expire until the full authorization
28 has been issued and dispersed.

29 NEW SECTION. **Sec. 6.** (1) The proceeds from the sale of bonds
30 authorized in section 3 of this act shall be deposited in the school
31 seismic safety grant program bond account created in section 13 of
32 this act.

33 (2) If the state finance committee deems it necessary or
34 advantageous to issue taxable bonds in order to comply with federal
35 internal revenue service rules and regulations pertaining to the use
36 of nontaxable bond proceeds or in order to reduce the total financing
37 costs for bonds issued, the proceeds of taxable bonds shall be

1 transferred to the school seismic safety grant program taxable bond
2 account created in section 12 of this act. The state treasurer shall
3 submit written notice to the director of financial management if it
4 is determined that any transfer to the school seismic safety grant
5 program taxable bond account is necessary or that a transfer from the
6 school seismic safety grant program taxable bond account to the
7 school seismic safety grant program bond account may be made.

8 NEW SECTION. **Sec. 7.** (1) The nondebt-limit general fund bond
9 retirement account must be used for the payment of the principal of
10 and interest on the bonds authorized in section 3 of this act.

11 (2) The state finance committee must, on or before June 30th of
12 each year, certify to the state treasurer the amount needed in the
13 ensuing 12 months to meet the bond retirement and interest
14 requirements on the bonds authorized in section 3 of this act.

15 (3) On each date on which any interest or principal and interest
16 payment is due on bonds issued for the purposes of section 3 of this
17 act, the state treasurer shall withdraw from any general state
18 revenues received in the state treasury and deposit in the nondebt-
19 limit general fund bond retirement account an amount equal to the
20 amount certified by the state finance committee to be due on the
21 payment date.

22 NEW SECTION. **Sec. 8.** (1) Bonds issued under section 3 of this
23 act must state that they are a general obligation of the state of
24 Washington, must pledge the full faith and credit of the state to the
25 payment of the principal thereof and the interest thereon, and must
26 contain an unconditional promise to pay the principal and interest as
27 the same shall become due.

28 (2) The owner and holder of each of the bonds or the trustee for
29 the owner and holder of any of the bonds may by mandamus or other
30 appropriate proceeding require the transfer and payment of funds as
31 directed in this section.

32 NEW SECTION. **Sec. 9.** The legislature may provide additional
33 means for raising moneys for the payment of the principal of and
34 interest on the bonds authorized in section 3 of this act.

35 NEW SECTION. **Sec. 10.** The state finance committee is authorized
36 to prescribe the form, terms, conditions, and covenants of the bonds

provided for in this chapter, the time or times of sale of all or any portion of them, and the conditions and manner of their sale and issuance.

NEW SECTION. **Sec. 11.** (1) The secretary of state shall submit sections 3 and 4 of this act to the people for their adoption and ratification, or rejection, at the next general election to be held in this state, in accordance with Article II, section 1 and Article VIII, section 3 of the state Constitution and the laws adopted to facilitate their operation.

(2) If the people ratify sections 3 and 4 of this act as specified under subsection (1) of this section, revenues generated shall be spent as detailed in this act.

(3) Pursuant to RCW 29A.72.050(6), the statement of subject and concise description for the ballot title shall read: "The legislature has passed Senate Bill No. . . . (this act), concerning the school seismic safety grant program. This bill would authorize bonds to build new or modernize existing school buildings that are in high seismic areas."

NEW SECTION. **Sec. 12.** The school seismic safety grant program taxable bond account is created in the state treasury. All receipts from direct appropriations from the legislature or moneys directed to the account from any other source must be deposited in the account. Moneys in the account may be spent only after appropriation. The account is intended to fund projects using taxable bonds. Expenditures from the account are for the school seismic safety grant program.

NEW SECTION. **Sec. 13.** The school seismic safety grant program bond account is created in the state treasury. All receipts from direct appropriations from the legislature or moneys directed to the account from any other source must be deposited in the account. Moneys in the account may be spent only after appropriation. The account is intended to fund projects using tax exempt bonds. Expenditures from the account are for the school seismic safety grant program.

1 NEW SECTION. **Sec. 14.** Sections 3, 5 through 10, 12, and 13 of
2 this act constitute a new chapter in Title 43 RCW.

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